

STATE OF IOWA
DEPARTMENT OF ADMINISTRATIVE SERVICES
RETIREMENT INVESTORS' CLUB

PLAN DOCUMENT

457 EMPLOYEE CONTRIBUTION PLAN

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457 EMPLOYEE CONTRIBUTION PLAN

PREAMBLE

This Plan is intended to satisfy the requirements for an “eligible deferred compensation plan” under Section 457 of the Internal Revenue Code of 1986, as amended from time to time, and all other applicable provisions of law and the regulations issued thereunder. This Plan may be referred to as “The State of Iowa’s 457 Employee Contribution Plan”, which is one of two plans that comprise the Retirement Investors’ Club (RIC).

ARTICLE ONE

DEFINITIONS

As used in the Plan Document, the following words and phrases shall have the meanings set forth herein unless a different meaning is clearly required by the context:

- 1 **Account** means any fixed annuity contract, variable annuity contract, life insurance contract, documents evidencing mutual funds, variable or guaranteed investments, or combination thereof provided for in the Plan.
- 2 **Alternate Payee** means the person who is or was the spouse of the Participant or is the child of the Participant to the extent that such person is entitled to any or all of a Participant’s Account under a court order that the Plan Administrator has determined to be a Plan approved Qualified Domestic Relations Order.
- 3 **Beneficiary** means a person, entity or estate a Participant designates to receive benefits following the death of the Participant.
- 4 **Code** means the Internal Revenue Code of 1986, as amended from time to time.
- 5 **Compensation** means gross salary minus 414(h) pick-up contributions to a defined benefit retirement plan, such as the Iowa Public Employees’ Retirement System, the Public Safety Peace Officers’ Retirement, Accident, and Disability System, or the Judicial Retirement System.
- 6 **DAS** means the Department of Administrative Services.
- 7 **Deferral Contribution** means the amount of Compensation that a Participant agrees to contribute to the Plan. Such amounts are not subject to federal and state income tax until received as benefit payments.
- 8 **Defined Benefit Governmental Plan** means a pension plan established under Code Section 401(a) in which the retirement benefits are defined by a set formula. The State of Iowa offers employees the following: Iowa Public Employees’ Retirement System (IPERS), Public Safety Peace Officers’ Retirement, Accident and Disability System (POR) and the Judicial Retirement System.
- 9 **Direct Rollover** means a payment by the Plan to the Eligible Retirement Plan specified by the Distributee. This includes transfers of all or a portion of the Account to a Defined Benefit Governmental Plan.

- 10 Distributee** means a person receiving funds, including a Participant. In addition, the Participant's spouse or former spouse who is the Alternate Payee under a Qualified Domestic Relation Order as defined in Code Section 414(p) are Distributees with regard to the interest of the spouse or former spouse.
- 11 Effective Date of Plan** means January 1, 1979, the date the Plan became effective.
- 12 Eligibility** means any nontemporary executive, judicial or legislative branch Employee, or Employee of a governmental Employer, who is regularly scheduled for 20 or more hours of work per week or who has a fixed annual salary.
- 13 Eligible Deferred Compensation Plan** means a plan that meets the requirements of Code Section 457(b).
- 14 Eligible Retirement Plan** means an individual retirement account described in Code Section 408(a), and individual retirement annuity described in Code Section 408(b), a qualified trust described in Code Section 401(a), an annuity plan described in Code Section 403(a), an eligible deferred compensation plan described in Code Section 457(b) which is maintained by an eligible employer described in Code Section 457(e)(1)(A), and an annuity contract described in Code Section 403(b).
- 15 Eligible Rollover Distribution** means any distribution to an Employee of all or any portion of the balance to the credit of the Employee into an Eligible Retirement Plan; except that such term will not include:
- A)** any distribution which is one of a series of substantially equal periodic payments (not less frequently than annually) made –
 - 1)** for the life (or life expectancy) of the Employee or the joint lives (or joint life expectancies) of the Employee and the Employee's designated Beneficiary, or
 - 2)** for a specified period of 10 years or more,
 - B)** any distribution to the extent such distribution is required under Code Section 401(a)(9);
 - C)** any distribution which is made upon hardship of the Employee; and
 - D)** any distribution to a non-spousal Beneficiary.
- 16 Employee** means a nontemporary (permanent full-time or permanent part-time) employee of the Employer, including full-time elected officials and members of the general assembly, except employees of the board of regents' institutions. For the purpose of enrollment, officials-elect and members-elect of the general assembly shall be considered Employees. Persons in a joint employee relationship with the Employer shall not be considered Employees eligible to participate in the Plan.
- 17 Employer** means the state of Iowa, including the eight judicial districts division of community services of the department of corrections, and any other governmental employer that participates in the Plan.
- 18 Financial Hardship** means a severe financial hardship to the Participant resulting from a sudden and unexpected illness or accident of the Participant or of a dependent of the Participant (as defined in Code Section 152(a)), loss of the Participant's property due to casualty, or other

similar extraordinary and unforeseeable circumstances arising as a result of events beyond the control of the Participant.

- 19 **Form 1099-R** means the tax form used to report distributions from the Plan to the Internal Revenue Service and the State of Iowa.
- 20 **Investment Option** means the separate funds in which contributions to the Plan are invested in accordance with Article Four of the Plan Document.
- 21 **Investment Product** means the aggregate of all Investment Options offered by an Investment Provider.
- 22 **Investment Provider**
 - A) **Active** means an investment company that is able to open new Accounts.
 - B) **Inactive** means an investment company that cannot open new Accounts but may continue provide service to existing Accounts.
- 23 **Maximum Deferral Contribution Limit** means the maximum amount a Participant may contribute to the Plan during a calendar year; see Article Three, Section 4, Table B.
- 24 **Minimum Required Distribution Date** means, according to Code Section 401(a)(9)(C), April 1 of the calendar year following the later of:
 - A) the calendar year in which the Employee attains age 70 ½, or
 - B) the calendar year in which the Employee severs employment.
- 25 **Normal Retirement Age** means age 65 unless the Participant declares a different Normal Retirement Age; it cannot be earlier than a year in which the Participant is eligible to receive benefits without an age reduction penalty from the Participant's Defined Benefit Governmental Plan, or later than age 70½.
- 26 **Participant** means an Employee, a former Employee, or a Beneficiary of a deceased Employee who holds assets in the Plan.
- 27 **Personnel Assistant** means the person within each agency who handles deferred compensation issues. This person may also handle payroll and other benefit issues.
- 28 **Plan** means the 457 Employee Contribution Plan as authorized by Code Section 457, Iowa Code Section 509A.12, and Iowa Code Chapter 8A.
- 29 **Plan Administrator** means an Iowa Department of Administrative Services employee designated by the Trustee to administer the Plan.
- 30 **Plan Document** means this instrument, including all amendments thereto.
- 31 **Plan Fiduciaries** means the Trustee, the Plan Administrator, Investment Providers, and the persons they designate to carry out or help carry out their duties or responsibilities as fiduciaries under the Plan.
- 32 **Plan Year** means the Plan's accounting year, January 1 to December 31.

- 33 Qualified Domestic Relations Order (QDRO)** means a court order, judgment or decree that creates or recognizes the existence of the rights of someone other than the Participant to an interest in the Participant's Account. The Alternate Payee, referred to as an A.P., must be the Participant's spouse, former spouse, or child.
- 34 Regulations** means the Federal Income Tax Regulations including proposed and temporary regulations, as promulgated by the Secretary of the Treasury or the Secretary's delegate, and as amended from time to time.
- 35 Required Beginning Date** means April 1 of the calendar year after the later of the calendar year the person terminates employment or reaches age 70 ½.
- 36 Severance From Employment** means the Employee ceases to be employed by the Employer.
- 37 Trust** means the Trust established pursuant to Iowa Code Section 8A.434, and maintained in accordance with the terms of the Plan as amended from time to time.
- 38 Trustee** means the director of the Iowa Department of Administrative Services.
- 39 Trust Fund** means the fund established under the Trust, and held by said Trustee in accordance with the Plan and Trust, to which deposits and contributions under the Plan and Trust will be made and out of which benefits under the Plan and Trust will be provided.
- 40 403(b) Tax Sheltered Annuity** means an annuity contract for an employee who performs services for an educational organization described in the Code Section 170(b)(1)(A)(ii).

ARTICLE TWO

ELIGIBILITY

1 Conditions of Eligibility

Any nontemporary executive, judicial or legislative branch Employee, or employee of a governmental employer that enters into an agreement to join the Plan, who is regularly scheduled for 20 or more hours of work per week or who has a fixed annual salary is Eligible to defer Compensation under the Plan except employees of the board of regents' institutions. An official-elect and members-elect of the general assembly are also Eligible provided Deferral Contributions meet the requirements set forth in the Plan. Final determination on Eligibility shall rest with the Plan Administrator.

2 Participation

An Eligible Employee may become a Participant by completing the appropriate Investment Provider paperwork and the appropriate State of Iowa paperwork. The signed State of Iowa paperwork needs to be returned to the Participant's Personnel Assistant or to DAS. The Investment Provider paperwork needs to be returned to the Investment Provider. By signing the State of Iowa paperwork, the Employee elects to participate in the Plan and consents to the Employer deferring the amount specified in the State of Iowa paperwork from the Participant's Compensation for each specified pay period. The amount specified shall continue until changed or suspended pursuant to Article Four of the Plan Document.

3 Determination of Eligibility

The Plan Administrator shall determine the Eligibility of each Employee for participation in the Plan based upon information furnished by the Employer. A person wishing to challenge the Plan Administrator's decision must file a timely appeal pursuant to the Iowa Department of Administrative Services' administrative rules.

4 Termination of Participation

Participation in the Plan shall cease upon the complete distribution of all the Participant's Account balances under the Plan.

ARTICLE THREE

CONTRIBUTIONS

1 Deduction schedule

Each Participant shall have the option as to whether the entire monthly amount of Deferral Contributions will be deducted from the first paycheck of the month, the second paycheck of the month, or will be equally divided between the first and second paychecks of the month. If the monthly Deferral Contribution cannot be divided into two equal payments, the third option is not available. Deferral Contributions will not be taken from the third paycheck of a month. Deferral Contributions may be allocated to more than one Active Investment Provider. A Participant may allocate Deferral Contributions to one Inactive Investment Provider and one or more Active Investment Provider(s). Participants who, under the laws of the State of Iowa, are eligible for both the 457 Plan and the 403(b) Tax Sheltered Annuity may contribute to both programs, but not at the same time.

2 Leave of Absence

Unless the appropriate State of Iowa paperwork is otherwise submitted, if a Participant is absent from work by leave of absence, Deferral Contributions under the Plan shall continue to the extent that Compensation continues. Should the Participant return to work after an unpaid leave, they will need to complete the appropriate State of Iowa paperwork to reinstate Deferral Contributions.

3 Minimum Contribution

Notwithstanding anything in the Plan to the contrary, the minimum amount a Participant may defer under the Plan is \$25 per month.

4 Maximum Deferral Contribution Limit

Except as provided in this Article, Section 5, a Participant's Deferral Contributions for a Plan Year shall not exceed the lesser of:

- A)** 100% of the Participant's Compensation for the Plan Year; or
- B)** the Maximum Deferral Contribution Limit under Code Section 457(e)(15), as illustrated in Table B.

Table B

Plan Year(s)	Maximum Deferral Contribution Limit – Applicable Dollar Amount
1979 – 1997	\$7,500
1998 – 2000	\$8,000
2001	\$8,500
2002	\$11,000
2003	\$12,000
2004	\$13,000
2005	\$14,000
2006	\$15,000
After 2006	Indexed in \$500 increments

5 Catch-Up Provisions

The Participant has two options to defer more than the Maximum Deferral Contribution Limit. These two options cannot be used in the same Plan Year.

A) 3-Year Catch-Up Provision

Notwithstanding the limit provided in Section 4, for each of the last three Plan Years prior to the year in which a Participant attains Normal Retirement Age, a Participant's Deferral Contributions shall not exceed the lesser of:

- 1)** \$15,000 for Plan Years beginning before January 1, 2002 and twice the limit under Section 4, Table B for Plan Years beginning on or after such date; or
- 2)** The sum of (i) the amount determined to be a Participant's Maximum Deferral Contribution Limit plus (ii) the amount of the Deferral Contributions and contributions to a 403(b) Tax Sheltered Annuity prior to 2002, which have been underutilized in all prior taxable years since the Plan has been available to the Participant.
- 3)** For the purpose of Subsection 2 of this Section, a prior taxable year shall be taken into account only if it complies with Regulations Section 1.457-4(c)(3).

B) 50+ Catch-Up Provision

Participants may defer a higher amount during any Plan Year in which the Participant attains or is age 50 or older. The maximum a Participant may defer each Plan Year shall be the sum of:

- 1)** the Maximum Deferral Contribution Limit in Section 4, for the current Plan Year; and
- 2)** the lesser of:
 - a)** Compensation available for deferral; or
 - b)** the amount in Table C as shown.

Table C

Plan Year	Additional Deferral Contribution Amount Eligible For Use With 50+ Catch-Up Provision
2002	\$1,000
2003	\$2,000
2004	\$3,000
2005	\$4,000
2006	\$5,000
Beginning January 1, 2007	\$5,000 plus cost-of-living adjustments, if any, established by the IRS under 26 USC 414

6 Direct Rollovers Into Plan

An Eligible Employee who has elected to become a Participant by making Deferral Contributions may request that amounts deferred under an Eligible Deferred Compensation Plan that satisfies the provision of Code Section 457(b) and is maintained by another employer, be transferred to the Participant's Account in the Plan. The Plan Administrator shall have sole discretion to approve a Direct Rollover and shall approve a Direct Rollover only if the Participant has a Severance From Employment with the prior employer and the prior employer's Eligible Deferred Compensation Plan permits such a transfer. The portion of any Direct Rollover that is attributable to Deferral Contributions made in a prior Plan Year shall not be considered a Deferral Contribution for purposes of applying the limits of Sections 4 and 5 for the Plan Year in which the Direct Rollover is made to the Plan. The portion, if any, of a Direct Rollover that is attributable to Deferral Contributions made in the Plan Year in which a Direct Rollover is made shall be taken into account in applying the limits of Sections 4 and 5. The Plan Administrator may require documentation to confirm that the prior employer's plan satisfies the requirements of Code Section 457(b), to confirm that the plan permits transfers, and to determine whether any portion of the Direct Rollover shall be taken into account in applying the limits of Section 4 and 5.

7 Maximum Annual Additions

Notwithstanding any other provision of the Plan, in no event shall the funds contributed under the Plan exceed the annual additions limit of Code Section 415. For purposes of the limitations on annual additions under Code Section 415, compensation shall be determined using the definition of compensation set forth in Regulation Sections 415(c)(3).

8 Required Make-Up Contributions

Notwithstanding any provision of the Plan to the contrary, contributions, benefits and service credit with respect to qualified military service will be provided in accordance with Code section 414(u). A participant whose employment is interrupted by qualified military service under Code section 414(u) or who is on a leave of absence for qualified military services under Code section 414(u) may elect to make additional Deferral Contributions upon resumption of employment with the Employer equal to the maximum Deferral Contributions that the Participant could have elected during that period of the Participant's participation in the Plan had continued, reduced by the actual amount of Deferral Contributions made by the Participant for the applicable year. This right shall continue for five years following the resumption of employment, or, if sooner, for a period equal to three times the period of the employment interruption or leave.

9 Federal and State Income Taxes

Deferral Contributions are exempt from federal and state income taxes until such time as the funds are paid or made available as provided in Code Section 457. Deferral Contributions are included as compensation for FICA and a Participant's Defined Benefit Governmental Plan.

ARTICLE FOUR

ACCOUNTS

1 Maintenance of Accounts

The Investment Provider shall establish and maintain a Participant Account in the name of the State of Iowa for the exclusive benefit of the Participant. The Account of a Participant shall always be fully vested and non-forfeitable. All assets of the Plan, including all Deferral Contributions and Direct Rollovers, as well as all income attributable to such Deferral Contributions and Direct Rollovers, shall be held in a trust, custodial account, or an annuity contract in accordance with the provisions of the Plan, and shall be held (until made available to the Participant) for the exclusive benefit of the Participant. Inactive Investment Providers shall send original annuity policies, contracts or Account forms to the Plan Administrator. All such original documents shall be kept by the Plan Administrator until proceeds are disbursed under the terms of the Participant's chosen method of disbursement. Participants may review their own documentation during normal work hours at DAS, but may not under any circumstances remove the documentation from the premises.

2 Modification To Account

Subject to all the provisions of the Plan, a Participant may at any time use the appropriate State of Iowa paperwork to amend or modify the Account as follows:

- A)** Change Deferral Contribution amount (increase, decrease, suspend);
- B)** Change name or address (for terminated employees only);
- C)** Change Beneficiary designations (if invested with an Inactive Provider);
- D)** Transfer to another Investment Provider within the Plan.

Increases and decreases to Deferral Contributions shall generally take effect according to the information in Table A. Suspending Deferral Contributions shall take effect as soon as administratively possible. Name and address changes will take effect as soon as administratively possible. Non-terminated Employee name and address changes will download automatically from payroll. Beneficiary changes shall take effect when the Plan Administrator accepts the appropriate State of Iowa paperwork. If Beneficiary designations are held by the Investment Provider, the Participant will need to send changes directly to the Investment Provider. Transfers will be requested from the previous Investment Provider within 30 days of receipt of first Deferral Contribution to the new Provider. If the Account to be transferred does not have current Deferral Contributions, the request will be made as soon as administratively possible. After termination, it is the Participant's responsibility to inform the State of Iowa and Investment Provider of any name, address, or Beneficiary changes.

A Participant may reinstate Deferral Contributions at any time, except after Deferral Contributions have ceased as a part of a Financial Hardship withdrawal request, Article Five, Section 2.

Table A

State of Iowa paperwork turned into Personnel Assistant or DAS	Paycheck effective date
1 st – 15 th of the month	1 st paycheck of the following month
16 th – end of the month	2 nd paycheck of the following month

3 Appointment and Responsibility of Investment Provider

The Trustee shall appoint, after a competitive bidding process, one or more insurance companies or other financial services companies as Investment Provider(s) to invest and hold the assets of the Plan. The Investment Provider shall serve at the pleasure of the Plan Administrator and shall have certain rights, powers and duties provided to it under the Investment Provider contract. The Investment Providers shall, subject to the Trustee's consent, have the power to appoint agents to act for the Investment Providers in the administration of Accounts according to the terms, conditions, and provisions of their service agreement or contract with the State of Iowa. All Deferral Contributions under the Plan shall be paid to the Investment Providers and shall be held, invested and reinvested by the Investment Providers in accordance with the provisions of Sections 4, 5 and 6.

4 Method of Payment

Deferral Contributions shall be forwarded after each pay period to the Investment Providers by issuance of warrants or electronic remittances, accompanied by a listing of the amounts to be credited to each Participant Account. Deferral Contributions will be remitted in a timely manner consistent with the requirements of the Regulations. However, no Deferral Contributions or remittances are made when a third payday occurs in a month. Investment Providers must minimize crediting errors and provide timely and accurate credit resolution.

5 Investment Options

The Trustee shall adopt various Investment Options for the investment of Deferral Contributions by the Participant and shall monitor and evaluate the appropriateness of the Investment Options, other than the investments offered under the Self-Directed Brokerage Account, offered by the Plan. The Trustee may remove or phase out an Investment Option if the Investment Option has failed to meet the established evaluation criteria or for other good cause as determined by the Trustee. Following such adoption or removal of Investment Options by the Trustee, the Participant shall be entitled to select from among the available Investment Options for investment of Deferral Contributions. In the event that Investment Options are removed, the Trustee may require the Participant to move balances to an alternative Investment Option offered by the Plan. If the Participant fails to act in response to a written notice within a specified number of days, upon the Plan Administrator's request the Investment Provider shall transfer money out of the removed Investment Option to an alternative Investment Option chosen by the Trustee or Investment Provider (normally placed into a fixed guaranteed account or, if offered as an Investment Option in the Plan, a money market fund.). By exercising such right to select Investment

Options or by failing to respond to a notice to transfer from a removed Investment Option where the Trustee moves the money on behalf of the Participant, the Participant agrees that none of the Plan Fiduciaries will be liable for any investment losses or lost investment opportunities that are experienced by the Participant in the alternative Investment Option they select or that is selected for them if they fail to take appropriate action with regard to a removed Investment Option or that may be implemented by the Plan Administrator in accordance with the Plan. At any time, the Plan Administrator may reexamine the performance of the terminating Investment Option to determine if continued Plan participation is justified. Active Investment Providers may add new Investment Options if those Investment Options meet the criteria set forth in the investment policy.

6 Investment of Participant's Account

A Participant's Account shall be invested in Investment Options within the Investment Product in accordance with the investment elections specified by the Participant in the manner prescribed by the Investment Provider, and approved by the Plan Administrator. A Participant may change the investment of Deferral Contributions and may reallocate amounts in the Account among the Investment Options in a manner determined by each Investment Provider and subject to such provisions as the Plan Administrator may adopt. Allocation of assets among Investment Options is solely the responsibility of each Participant. Any Deferral Contributions invested in an Investment Option that is a guaranteed investment or annuity contract shall be subject to any and all terms of such contract, including any limitations placed on the exercise of any rights otherwise granted to a Participant under any provisions of the Plan with respect to such Deferral Contributions. The fact that an Investment Option is available for investment to Participants under the Plan shall not be construed as a recommendation for investment in that Investment Option.

All interest, dividends, charges for administration and premiums, and changes in value due to market fluctuation applicable to each Participant's Account, which is invested in accordance with the Participant's investment specifications, shall be credited or debited as they occur. All reports to the Participant shall be based on fair market value as of the reporting date.

ARTICLE FIVE

WITHDRAWALS PRIOR TO SEVERANCE FROM EMPLOYMENT

1 Conditions for Withdrawals

A Participant shall not be entitled to withdraw funds from the Participant's Account prior to Severance from Employment except as provided in this Article.

2 Financial Hardship

In the event a Participant experiences a Financial Hardship due to an unforeseeable emergency, the Plan Administrator, in its sole discretion, may permit the Participant to withdraw from the Participant's Account an amount that does not exceed the amount reasonably needed to meet the Financial Hardship. The amount reasonably needed to meet the Financial Hardship shall be reduced by any amounts that are reimbursable through insurance or any other means, amounts that may be obtained by the Participant's cessation of Deferral Contributions or amounts that may be obtained by the Participant's liquidation of other assets to the extent that such liquidation would not itself cause severe Financial Hardship. A Participant shall submit such evidence of the Financial Hardship as the Plan Administrator may require.

For purposes of this Section, a Financial Hardship due to an unforeseeable emergency shall mean a severe Financial Hardship to the Participant resulting from a sudden and unexpected illness or accident of the Participant or of a dependent of the Participant (as defined in Code Section 152(a)), loss of the Participant's property due to casualty, or other similar extraordinary and unforeseeable circumstances arising as a result of events beyond the control of the Participant.

Participants cannot make Deferral Contributions for six (6) months following withdrawal due to a Financial Hardship.

If a request is denied, the Participant may request that the Plan Administrator reconsider the request by submitting (within 30 days of the date of the denial) additional written evidence of qualification or reasons to support the request for Financial Hardship. If the request is denied a second time, the Participant may request that the Trustee review the request. The Trustee shall render a final decision on behalf of the Plan.

3 Other In-Service Withdrawal

A Participant whose Account value does not exceed \$5,000 (or the dollar limit as specified in Code Section 411(a)(11), if greater) and who has not made any Deferral Contributions for the two-year period ending on the date of the withdrawal may withdraw the total amount in the Account for any reason, provided the Participant has not previously received a distribution under this Section 3. The Plan Administrator may also elect to distribute the accumulated Account value of a Participant's Account without consent, if the criteria in this Section 3 are met.

4 Plan-To-Plan Transfers

The Plan, at the Plan Administrator's discretion, may make plan-to-plan transfers of all or a portion of the Account to a Defined Benefit Governmental Plan if such transfer is for the purchase of permissive service credit (as defined in Code Section 414(n)(3)(A)) under such plan.

5 Procedures

A Participant shall apply for a withdrawal under Article Five in accordance with the procedures established by the Plan Administrator. Amounts approved to be withdrawn shall be distributed as soon as administratively possible.

6 Loans

Loans are prohibited under the Plan.

ARTICLE SIX DISTRIBUTIONS UPON SEVERANCE FROM EMPLOYMENT

1 Commencement

In the event of a Participant's Severance From Employment, the Participant shall be entitled to receive a distribution of all Accounts under the Plan. In the event that a Participant dies before the entire balance of the Account is distributed, Section 4 of this Article shall apply. Neither the Investment Provider nor

the Plan Administrator will initiate payments until at least 30 after receipt of the Special Tax Notice Regarding Plan Payments. The Participant may waive the 30 day notice period by making an affirmative election indicating whether or not the Participant wishes to make an Eligible Rollover Distribution.

The Participant may elect, on forms prescribed by the Plan Administrator and Investment Provider, the time at which distributions under the Plan are to commence by designating a distribution option. However, the Participant shall begin payment no later than the Required Beginning Date provided by Code Section 401(a)(9).

2 Benefits Total

The Participant shall be entitled to receive the benefits created by participating in the Plan, in accordance with the Participant's Investment Provider's distribution options. Generally, the benefits payable to the Participant will be the equivalent of the total benefits created by the investment selection made by the Participant, taking into consideration fees and market losses and gains where applicable.

3 Late Retirement

If the Participant continues employment after attaining 70½ years of age, all benefits payable under the Plan may be deferred until the Participant severs employment or dies. If the Participant is not an active State of Iowa Employee, the payment of benefits must begin no later than April 1st of the calendar year following the calendar year in which the Participant attains age 70½. A Participant may receive a distribution from the Plan if age 70½ and still employed. Participants receiving distributions who wish to make Deferral Contributions must open a new Account.

4 Death

If a deceased Participant has multiple beneficiaries, the Participant's account is divided into separate accounts prior to distribution under the required minimum distribution rules, in accordance with Treas. Reg. sec. 1.401(a)(9)-8 Q&As A-2(a) and A-3.

If a Participant dies prior to the Required Beginning Date, the Participant's Beneficiary may elect to take distributions under the five-year rule or the life expectancy rule. A nonspouse Beneficiary must make the election by December 31 of the calendar year after the calendar year the Participant died. A spouse Beneficiary must make the election by the earliest of the December 31 of the calendar year in which distributions must commence, December 31 of the year the Participant would have turned age 70 ½, or December 31 of the year containing the fifth anniversary of the Participant's death. Under the five-year rule, all benefits must be distributed by December 31 of the calendar year containing the fifth anniversary of the Participant's death. Under the life expectancy rule, benefits for a nonspouse Beneficiary must commence by December 31 of the calendar year after the calendar year the Participant died, and for a spouse Beneficiary who is the sole designated Beneficiary, benefits must commence before the later of December 31 of the calendar year after the calendar year the Participant died or December 31 of the calendar year in which the Participant would have attained age 70 ½.

If a Participant dies after the Required Beginning Date, a Beneficiary will generally receive benefits based on the distribution option selected by the Participant. The benefits must be received as least as rapidly as the Participant received them prior to death. If the Participant did not select a lifetime annuity, the death benefits must be distributed by the later of the life expectancy of the Beneficiary or the life expectancy of the Participant.

5 Designated Beneficiary

The Participant shall have the right to file with the Plan Administrator or Plan Administrator's designee a written Beneficiary or change of Beneficiary form designating the person or persons who shall receive the benefits payable under the Plan in the event of the Participant's death. Upon the Participant's death, the Beneficiary shall have the right to apply to the Plan Administrator or Plan Administrator's designee to amend the payment option as previously elected by the Participant. If Participant's beneficiary designation is held by the Investment Provider, the Investment Provider policies will supercede this section.

- A)** The form for this purpose shall be provided by the Plan Administrator or Plan Administrator's designee and will have no effect until it is signed, filed with the Plan Administrator or Plan Administrator's designee by the Participant, and accepted by the Plan Administrator or Plan Administrator's designee.
- B)** If the Participant dies without having a Beneficiary form on file or is not survived by the designated Beneficiary under the Plan, the payments shall be made to the Participant's estate. If no estate is opened, or has closed prior to receipt of final payments, the payment may be made first, to a surviving spouse, second, to a surviving child or children, third, to a surviving parent or parents. If there is no designated Beneficiary, distributions must be made within 5 years of the Participant's date of death.
- C)** Participant accepts and acknowledges the burden for executing and filing with the Plan Administrator or Plan Administrator's designee a proper Beneficiary designation form.

6 Payment and Settlement Options

Subject to the provisions of Section 1, a Participant may elect within the period and on the forms prescribed by the Plan Administrator and Investment Provider, to receive the balance of the Account in the form of:

- A)** a lump sum, payable in cash;
- B)** lifetime periodic installments;
- C)** systematic withdrawal payments;
- D)** payments made available from the Investment Provider and approved by the Plan Administrator or the Trustee.

7 Rollover to Eligible Retirement Plan

Notwithstanding any provision of the Plan to the contrary that would otherwise limit a Distributee's election under this Section, a Distributee may elect, at the time and in the manner prescribed by the Plan Administrator, to have any portion of an Eligible Rollover Distribution paid directly to an Eligible Retirement Plan specified by the Distributee in a Direct Rollover.

8 Minimum Distribution Requirements

Any payment of benefits shall be made according to a form of distribution that begins not later than the Minimum Required Distribution Date, according to Code Section 401(a)(9). Payments shall be calculated such that:

- A) the entire Account will be distributed over the lives or over a period not extending beyond the life expectancy of the Participant and the Participant's designated Beneficiary, and
- B) the amounts payable with respect to the Participant will be paid at times which are not later than the times required by Code Section 401(a)(9)(G) [relating to incidental death benefits], and
- C) any remaining payments after the death of the Participant shall be made at least as rapidly as under the form of distribution being used as of the date of the Participant's death, and
- D) the life expectancy or joint and last survivor life expectancy shall be computed using the expected return multiples in the Internal Revenue Service Tables under Regulations 1.72-9 or under any other method as permitted by Regulations under Code Section 401(a)(9).

9 Distribution for Minor Beneficiary

In the event a distribution is to be made to a minor, the Plan Administrator may direct that such distribution be paid to the legal guardian, or if none, to a parent of such Beneficiary or a responsible adult with whom the Beneficiary lives, or to the custodian for such Beneficiary under the Iowa Uniform Transfers to Minors Act or under any similar law promulgated by the state in which Beneficiary resides. Such a payment to the legal guardian, custodian or parent of a minor Beneficiary shall fully discharge the Trustee, Plan Administrator, Employer, and Plan from further liability on account thereof.

10 Location of Participant or Beneficiary Unknown

In the event that all, or any portion, of the distribution payable to a Participant or Participant's Beneficiary hereunder shall, at the Participant's attainment of Normal Retirement Age, remain unpaid solely by reason of the inability of the Plan Administrator, after sending a registered letter, return receipt requested, to the last known address, and after further diligent effort, to ascertain the whereabouts of such Participant or the Participant's Beneficiary, the amount so distributable shall be treated as a forfeiture pursuant to the Plan. In the event a Participant is located subsequent to such benefit being reallocated, such benefit shall be restored, first from forfeitures, if any, and then from an additional Employer contribution if necessary.

11 Distributions Under Qualified Domestic Relations Order

The Plan specifically permits distribution at any time to an Alternate Payee under a Qualified Domestic Relations Order irrespective of whether the Participant has met the Plan requirements to receive a distribution. A distribution to an Alternate Payee prior to the Participant's Severance From Employment is available only if the order does not prohibit distribution at that time. Nothing in this Article permits a Participant a right to receive a distribution at a time otherwise not permitted under the Plan nor does it permit the Alternate Payee to receive a form of payment not permitted under the Plan. An Alternate Payee who is the spouse or former spouse of the Participant shall be treated as the Distributee of any distribution or payment made to the Alternate Payee and shall be subject to any applicable federal and state income taxes or product-specific penalties.

12 Federal and State Withholding Taxes

It shall be the responsibility of the Investment Providers, when making payment directly to the Participant or the Alternate Payee, to withhold the required federal and state income taxes, to remit them to the proper government agency on a timely basis, to provide the Distributee with a Form 1099-R each year, and to file all necessary reports as required by federal and state regulations.

1 Powers and Duties of the Plan Administrator

The primary responsibility of the Plan Administrator is to administer the Plan for the exclusive benefit of the Participants, subject to the specific terms of the Plan. The Plan Administrator shall administer the Plan in accordance with its terms and shall have the power and discretion to construe the terms of the Plan and determine all questions arising in connection with the administration, interpretation, and application of the Plan. The Plan Administrator may establish procedures, correct any defect, supply any information, or reconcile any inconsistency in such manner and to such extent as shall be deemed necessary or advisable to carry out the purpose of the Plan; provided, however, that any procedure, discretionary act, interpretation or construction shall be done in a nondiscriminatory manner based upon uniform principles consistently applied and shall be consistent with the intent that the Plan shall continue to be deemed a non-qualified plan under the terms of Code Section 457(b), and shall comply with the terms of all Regulations issued pursuant thereto. The Plan Administrator shall have all powers necessary or appropriate to accomplish the duties under the Plan.

The Participant specifically agrees that the Employer, the Trustee, the Plan Administrator, or any other employee or agent of the Employer, shall not be liable for any loss sustained by the Participant for the nonperformance of duties, negligence, or any other misconduct of the above-named persons except that this paragraph shall not excuse malicious or wanton misconduct.

The Plan Administrator shall be charged with the duties of the general administration of the Plan, including, but not limited to, the following:

- A)** the discretion to determine all questions relating to the Eligibility of Employees to participate or remain a Participant hereunder and to receive benefits under the Plan;
- B)** authorization to direct the Investment Providers with respect to all non-discretionary or otherwise directed disbursements of funds; and
- C)** maintenance of all necessary records for the administration of the Plan.

2 Records and Reports

The Investment Providers shall keep a record of all actions taken and shall keep all other books of account, records, and other data that may be necessary for proper administration of the Plan and shall be responsible for supplying all information and reports to the Internal Revenue Service, Participant and others as required by law.

1 Amendment

The State of Iowa reserves the right at any time and from time to time, and retroactively if deemed necessary or appropriate, to amend in whole or in part any or all of the provisions of the Plan. However,

no amendment shall be made that has the effect of impairing the right of any Participant to amounts credited to the Participant's Account in the Plan, unless required to comply with federal or state law.

2 Termination

The State of Iowa may terminate the Plan or completely discontinue Deferral Contributions under the Plan for any reason at any time. In the event of a Plan termination, the total amount in each Participant's Account shall be distributed as the Plan Administrator shall direct in accordance with the provisions of the Plan.

ARTICLE NINE MISCELLANEOUS

1 Conditions of Employment Not Affected by Plan

Participation in the Plan by an Employee shall not be construed as a contract of employment to the Participant or an amendment to an existing employment contract of the Participant, nor shall participation in the Plan be construed as affording to the Participant any representation or guarantee regarding the Participant's continued employment.

2 Construction

The Plan shall be construed, regulated and administered in such a manner as to satisfy the requirements for eligibility under Code Section 457 and, if any provision of the Plan is subject to more than one interpretation or constructions, such ambiguity shall be resolved in the favor of that interpretation or construction which is consistent with the Plan being so eligible.

The titles and headings of the Articles and Sections in the Plan Document are for convenience only. In the case of ambiguity or inconsistency, the text rather than the titles or headings shall control.

In construction of the Plan Document, the masculine shall include the feminine or neuter and the singular shall include the plural and vice-versa in all cases where such meanings would be appropriate.

3 Non-Alienation

Except as otherwise required by law, the rights of any Participant (including any Employer compensation or benefits paid) under the Plan shall not be subject to the rights of creditors of the Participant, and shall be exempt from execution, attachment, garnishment, prior assignment, transfer by operation of law in the event of the bankruptcy or insolvency or any other judicial relief or order for creditors or other third persons. No Participant shall have any right to commute, sell, assign, encumber, hypothecate, transfer or otherwise convey the right to receive any payments hereunder, which payments and the right thereto are expressly declared to be non-assignable and nontransferable, and any such attempted assignment or transfer shall not be recognized by the Employer. Except as required by law, the right to exercise any power of any Participant shall be personal and shall not be exercisable by any trustee in bankruptcy, court of law, or other person or entity seeking to act in the name of or by the right of the Participant except as follows: the guardian or custodian of a Participant who is incapacitated by reason of illness or age, a person so designated in a Participant's lawfully executed power of attorney where the Participant is incapacitated by reason of illness or age, or the guardian or custodian of a Beneficiary who has not

reached majority. The Participant agrees that in the event of the Participant's bankruptcy or insolvency, a timely application will be made to secure exemption for all funds maintained in the Participant's Account.

4 Qualified Domestic Relations Order

Notwithstanding the provisions of Section 3, effective January 1, 2002, the Plan Administrator shall comply with the provisions of a domestic relations order, which the Plan Administrator determines to constitute a Qualified Domestic Relations Order, as defined in Code Section 414(p). The Plan Administrator shall establish procedures to determine the status of a judgment, decree or order as a Qualified Domestic Relations Order and to administer Plan distributions in accordance with Qualified Domestic Relations Orders. The Plan Administrator will determine whether the judgment, decree, or order is valid and binding on the Plan, and whether it is issued by a court or agency with jurisdiction over the Plan. The judgment, decree, or order must specify which of the Participant's Accounts are to be paid or set aside, the valuation date of the Accounts, and to the extent possible, the exact value of the Accounts.

5 Facility of Payment

In the event the Plan Administrator determines that any Participant receiving or entitled to receive benefits under the Plan has been declared incompetent by a court of competent jurisdiction, benefit payments due under the Plan may be made to the legal guardian of the property of such incompetent person. In the event the Plan Administrator determines that any Participant has executed a binding power of attorney, or other legal document authorizing another to act as agent or attorney on behalf of such Participant, benefit payments due under the Plan may be made to the agent or attorney so designated in the power of attorney or other legal document. Benefit payments made under the Plan in accordance with determinations of the Plan Administrator shall be a complete discharge of any obligations arising under the Plan with respect to such benefit payments.

6 Elections

Any elections, notifications or designations made by a Participant pursuant to the provisions of the Plan shall be made in the time and manner determined by the Plan Administrator. The Plan Administrator reserves the right to change, from time to time, the time and manner for making notifications, elections or designations by Participants under the Plan if it determines after due deliberation that such action is justified in that it improves the administration of the Plan. In the event of a conflict between the provisions for making an election, notification or designation set forth in the Plan and such new administrative procedures, those new administrative procedures shall prevail.

7 Tax Effects

Neither the Employer, the Plan Administrator, the State of Iowa or any agency thereof, nor any firm, person, nor corporation represent or guarantee that any particular federal, state, or local tax consequences will occur as a result of any Participant's initial or continued participation in the Plan. It is recommended that each Participant consult with an independent advisor regarding the tax consequences of participation in the Plan.

8 Supplementary Information

Any explanatory brochures, pamphlets, or notices distributed by the Plan shall be distributed for information purposes and shall not override any provision of the Plan or give any person any claim or right not provided for under the Plan. Notwithstanding the foregoing, to the extent that the terms of the Plan Document authorize the adoption of supplementary guidelines or procedures, any publication

announcing such guidelines or procedures may be relied upon by the persons to whom it is distributed, unless and until modified by a subsequent publication, or revocation of the publication by the Plan Administrator. Any procedural requirement described in any such publication shall be binding, as applicable, to the same extent as if such requirement were set forth in the Plan Document. In the event any form or other document, used in administering the Plan, including but not limited to enrollment forms and marketing materials, conflicts with the terms of the Plan, the terms of the Plan shall prevail.

A handwritten signature in black ink, appearing to read "Mollie K. Anderson", written over a horizontal line.

Mollie K. Anderson, Trustee
Retirement Investors' Club